

Medium Term Financial Strategy

2005/2006 - 2007/2008

August 2005

MEDIUM-TERM FINANCIAL STRATEGY 2005/2006 to 2007/2008

Introduction

- 1) The Medium Term Financial Strategy (MTFS) is the Council's key financial planning document. It sets out, and considers the implications of, the strategic aims and priorities approved by the Council in its CPA Improvement Plan and articulated in the Delivery Plan 2005/06 to 2007/08.
- 2) It is part of a wider corporate process, the timetable for which is shown in Appendix A

Policy Context

- 3) The key policy context for the MTFS was outlined in the report 'CPA Improvement Plan-Review of the Council's' Priorities' which reviewed and revised the Council's Mission Statement, strategic aims and priorities for 2005/08. These were approved by the Council at its meeting on December 7th 2004.
- 4) This determined the priorities for decision making in setting the budget for 2005/06. The key elements for prioritisation were:
 - Contribution to the outcomes in the Council's Delivery Plan 2005/08
 - Improving Council performance as measured by nationally significant Performance Indicators.
 - Submissions were expected to have explored procurement options.
 - Submissions representing additional cost at existing service levels must have demonstrated that no further offsetting efficiency savings are available in that service.

Demographic Factors

- 5) The main change impact on the MTFS will be the continual application of information collected through Census 2001, although the headline data has already been released, some aspects are still to be applied in the grant distribution methodology.

- 6) The main impact from the Census 2001 data for the Council to date was the significant fall in the resident population for 2003/04 grant purposes (85,686) compared with the previous OPCS mid 2000 figures (86,800). The figure has now improved to 87,461 for 2005/06 grant purposes, i.e. above its original level, During the 2 year period of correction the Council lost some £160,000 in grant.
- 7) Population is of particular significance as it is the key driver in the distribution of Government grant under the current Formula Grant system.
- 8) The data also highlights changes in the ethnic and age profiles within the District.
- 9) Regional planning issues may also have an impact for the services delivered by the Council, primarily in the medium and longer term.

The Balanced Budget Strategy

- 10) The Council's Balanced Budget Strategy aimed to balance annual recurring revenue expenditure with annual recurring revenue income, without a subsidy from general reserves, by 2007. This medium term financial strategy requires a contribution from reserves in 2005/06 of £225,000 falling to £32,000 in 2006/07 and turning positive in 2007/08 with a return to reserves of £239,000.

Financial Projections – Revenue

- 11) The key aim of the MTFs is to develop a series of financial projections to determine the achievability and sustainability of the financial plans, which are required to deliver the service improvements set out in the Council's Delivery Plan 2005/08.
- 12) The approach is to take a three year view using the 2005/06 financial year's budget, adjusted for known changes, as a base position, then inflate this as the price base for the subsequent budget years, add unavoidable spending pressures and the implications of immediate priorities. This is then measured against the projection of available funding to determine affordability. The package of measures required to equalise the two, form the financial strategy for that budget year.
- 13) The key assumptions for the preparation of these projections are shown in Appendix B.

GENERAL FUND REVENUE EXPENDITURE

	2005/06 £'000	2006/07 £'000	2007/08 £'000
REVISED BASE REPORTED TO EXEC. BOARD - 27th JANUARY 2005	9,754	10,306	10,290
CHANGES APPROVED BY EXEC. BOARD - 8th FEBRUARY 2005			
CPA IMPROVEMENT PLAN			
Training	20		
Customer Contact Centre (CCC)	30		
Strategic HR Capacity	50		
Contingency	120	79	
	220	79	-
SERVICE DEVELOPMENTS			
Additional CCTV - Needhams Walk		20	- 20
Refuse Collection - additional round	16		
Additional Principal Planning Officer		34	
HLC - alarm system	11	- 11	
Additional public consultation	15		
New depot provision - Ashby Rd	8	10	
Ashby Museum - grant	5	- 5	
Community Safety initiatives	19		
Civil Contingency Act	10		
Customer Contact Centre (Contribution to Capital)	150	- 150	
Licensing - legal services	20		
	254	- 102	- 20
SUB TOTAL (1)	10,228	10,283	10,270
NEW INCOME		- 110	- 110
GENERAL EXPENDITURE REDUCTIONS			
Debt re-scheduling	- 45	- 30	- 30
Good housekeeping	- 26	- 11	- 6
Mobil phone usage	- 10	- 10	
Procurement savings	- 75		
Vacancy rate to 3%	- 50		
	- 206	- 51	- 36
STAFFING - Deletion of Vacant Posts (2005/06)	- 93	- 100	- 200
SERVICE REDUCTIONS			
Arts Development	-43		
Grant - Springboard	-3	-7	
Grant - Moira Replan	-2	-3	
Inflation removed from Grants		-5	
Closure of Unattended PC's Pc's		-70	
	-48	-85	0
SUB TOTAL (2)	9,881	9,937	9,924
OTHER - CONTRIBUTIONS			
Whitwick Business Centre - Use of surplus	-20	-20	-20
Job Evaluation - Contribution from Earmarked Balances	-40	-40	-40
	-60	-60	-60
DISTRICT GENERAL FUND EXPENDITURE	9,821	9,877	9,864

- 14) A number of areas have been identified where the impact on revenue spending cannot be quantified with sufficient accuracy at this point in the process. These have been included as 'Uncertainties' and this listing is shown in Appendix C. In addition a number of budget heads have been identified as 'volatile' and will be subject to more detailed monitoring throughout the period of the budget to limit the risk.
- 15) One of the main issues in terms of funding availability is the estimation of the level of Government grant, which the Council will be entitled to.

Government Grant Projections

- 16) The Government introduced a new Formula Grant (FG) distribution system as part of the Provisional Settlement announcement on 5 December 2002. The main effect of this, for the Council, was initially a significant (7.7%) increase in grant entitlement, although this was after abatement by the reduction in resident population level of 1,114, identified through the Census 2001 and an increase in the number properties (the taxbase) in the District.
- 17) The Government also implemented a system of protection to handle significant changes for individual authorities, as a result of the new system now known as 'floors' (the minimum level of guaranteed grant increase, which is 2.5%, for 2005/06). The impact for the Council for 2005/06 is shown below.

Calculation of Formula Grant (FG) Entitlement 2005/06	(£000's)
Formula Spending Share (FSS)	11,040
Less Business Rates Income (from National Pool)	(2,526)
Less Assumed National Council Tax (ANCT) share – assumed local contribution	(5,585)
Actual derived Formula Grant entitlement	2,929
Less 'Scaling back' reduction to pay for 'floor'	(115)
Actual Formula Grant Received	2,814
Add Business Rates Grant	2,526
Total Exchequer Contribution	5,340

- 18) The 'floor' did not apply to the Council's grant entitlement in 2005/06 as its increase was above this figure, even after abatement. .
- 19) In order to finance this minimum level of grant increase the Government 'scaled back' the grant of all authorities who received an increase in excess of the 'floor' level. The Council's grant entitlement was reduced by £115,000 by this exercise, almost 33% of the **increase** of £341,000 in it's

genuinely derived grant entitlement for 2005/06 and equivalent to some 3% increase on Council Tax.

- 20) There was no indication given of future protection levels.
- 21) The future estimation of grant entitlement is dependent on a number of key variables:
- The level of Formula Spending Share (FSS)
 - Resident population
 - Assumed Standard Council Tax level
 - Council Tax base
 - Levels at which 'floors' are set.
- 22) Ministers have confirmed that they intend to continue to apply protection arrangements, based on the 'floors' model. However, they have indicated that they are not likely to confirm the levels at which these factors will be set until the Provisional Settlement announcement each year.
- 23) In order to estimate grant entitlement, assumptions have had to be made regarding the key variables outlined. These are shown below:

Variable	Assumption Adopted
Formula Spending Share	Government assumptions ,1.7% 2006/07, 2.7% 2007/08
Resident Population	Higher increase than in proportion to overall national changes
Assumed National Council Tax	2005/06 level increased by 4.0% year-on-year
Council Tax base	Insignificant effect in proportion to overall national changes
Level of 'floor'	Set annually at a Government determined Level of inflation

- 24) The resultant grant entitlement increase (estimated at 1.5%) has been used to complete the projections used to construct the financial strategy for the years 2006/07 and 2007/08. This cautious view assumes that additional 'one-off' funding made available for 2005/06 is not repeated.
- 25) The Government has recently consulted on possible proposals for 'three year forward 'grant settlements, linked to the Governments three year spending reviews. The outcome of the consultation is still awaited.

Housing Revenue Account (HRA)

- 26) The Housing Division is working with the Government Office to develop a 'Fit for Purpose' Housing Business Plan by July 2005. HRA modelling has been submitted to GOEM.

- 27) From 2005/06 the client and contractor roles on housing repairs are being integrated into the Housing Division.
- 28) Following new Government guidelines issued in 2003 the Council was required to undertake a further 'options appraisal' exercise in respect of its housing stock. An independent stock condition survey was commissioned which showed that 81% of properties met the Government's Decent Homes standard. From the data collected the Council was able to undertake the long term financial projections necessary to cost the repairs/improvements required to enable all properties to be brought up to decent homes standard by 2010 and meet tenants aspirations for the stock.
- 29) Following production of these figures, it became clear that the longer term financial requirements may not be sustainable. A joint team of Councillors, tenants representatives and advisers undertook detailed investigations into the options available to the Council. These were, retention by the Council, use of a private finance initiative (PFI), an arms length management organisation (ALMO) and transfer to a registered social landlord (RSL). Over a period of some months each option was evaluated. Then following a 'test of opinion' survey among the wider body of tenants, the team unanimously recommended to the Council that the preferred option for enabling the sustainable provision of high quality social housing in the future was to transfer the stock to a registered social landlord. The Council accepted this recommendation in April 2005. To proceed this option will now need to be supported by a majority of tenants via a ballot. The ballot is likely to take place in mid 2006. The options appraisal undertaken by the Council has now been 'signed off' by GOEM.
- 30) Should a majority of tenants support this option, the transfer will have significant financial implications on the MTFs from 2006/07 onwards. Initial indications of possible transfer values show a likely net receipt of some £22m may be received, creating the opportunity for investment income. This would likely have a part year impact in 2006/07, with a full year impact arising from 2007/08.
- 31) The Council also commissioned a 'Corporate Impact Study' to identify the risk of potential additional costs falling on General Fund following transfer. This identified some £720,000 of possible costs which would need to be managed, probably by a combination of agreeing redeployment of staff to the new landlord, providing services to the new landlord and investment income arising on the proceeds of transfer.
- 32) In view of the uncertainties still surrounding these issues no implications arising from the Stock transfer have been included in the MTFs.

Capital

- 33) The Council's funding policy has been to set programmes which address its key priorities and to fund these by utilising prudent borrowing and capital receipts (both in hand and anticipated in year) in a corporate approach, thus providing the maximum investment position. Due to other spending pressures revenue contributions to fund capital have been very limited in the past, however for 2005/06 a revenue provision of £150,000 has been made to provide funding (should this be required) for the Council's Customer Service Centre. The Coalville Special Expense area funds all its capital schemes from an annual revenue contribution on a 'pay as you go' basis.
- 34) A key issue for capital has been the removal of the need to seek Government approval to borrow and the introduction of a new control regime in the form of the Prudential Code for Capital Finance from 1 April 2004.
- 35) The Council has always sought to maximise funding for capital, including any from revenue sources, within a prudential framework. Therefore, the changes have not affected the Council's approach to prudence, affordability and sustainability.
- 36) However, it should be clear that notwithstanding the removal of the requirement to seek borrowing approval, the Government only offers revenue support for a specified element of the Council's prudential borrowing limit (determined under the single capital pot arrangements). No 'supported' borrowing allocation has been given for General Fund (OSB) non housing schemes in 2005/06 and this is not expected to change in the period of the MTFs. This means that the additional financing costs of these schemes, unless funded from reductions elsewhere in the budget, will fall to be met in full from Council Tax.
- 37) The Council has agreed to undertake Prudential Borrowing of £415,000 to provide a new works depot, to resolve long standing locational and capacity issues. The ability to Prudentially borrow gave the Council the option to build on the opportunity afforded by the award of a significant DEFRA capital grant to provide a new recycling facility.
- 38) The Government has also introduced a scheme of national pooling for the 'set aside' portion of new housing capital receipts arising from 2004/05. These receipts, 75% on house sales and 50% on land sales, although previously having to be 'set aside' and not be spent, other than to redeem debt, were retained by the Council and attracted investment income. Certain exceptions apply on land sales when used for regeneration purposes or affordable housing purposes.

39) SUMMARY HOUSING CAPITAL PROGRAMME 2004/05 to 2007/08

FUTURE YEARS

	2004/05 £'000	2005/06 £'000	2006/07 £'000	2007/08 £'000
PURPOSE				
Council Stock Improvements	3,237	4,509	3,449	3,435
Private Sector Repair & Improvement Grants	439	525	525	525
Disabled Facilities Grant	284	225	225	225
	3,960	5,259	4,199	4,185
ANTICIPATED FUNDING				
Major Repairs Allowance (MRA)	2,573	2,475	2,489	2,507
Supported Borrowing (RHB)	601	617	617	617
Capital Grant (DFG)	138	135	135	135
Capital Receipts	713	1,731	958	926
Other	(65)	301	-	-
	3,960	5,259	4,199	4,185

SPECIAL EXPENSES CAPITAL PROGRAMME 2004/05 to 2007/08

FUTURE YEARS

	2004/05 £'000	2005/06 £'000	2006/07 £'000	2007/08 £'000
RESOURCES				
Asset Protection Fund	30	122	35	-
RCCO - Specials	31	46	31	31
RCCO/Other Contributions b/fwd from previous years	45	-	-	-
	106	168	66	31
COMMITMENTS				
Melrose Rd. Recreation Ground	15	-	-	-
Hensons Lane Thringstone Playground Facilities	15	-	-	-
Coalville Christmas Lights	8	-	-	-
Provision for Special Expenses Schemes currently programmed	30	30	30	30
Greenhill NOF Project	7	-	-	-
Owen Street Recreation Ground – Security Fencing	-	15	-	-
Capital Salaries	1	1	1	1
Improvement Plan	30	122	35	-
PROJECTED SPEND	106	168	66	31

- 40) The current projected position on General Fund // IEG capital funding after allowing for up to £100,000 of unsupported borrowing in 2006/07 onwards is:

GENERAL FUND / IEG CAPITAL PROGRAMME

FUTURE YEARS

	2004/05	2005/06	2006/07	2007/08
	(£000's)	(£000's)	(£000's)	(£000's)
RESOURCES				
DEFRA Capital Grant	240	566		
IEG Funding	350	150		
Unsupported Borrowing	16	402	100	100
Receipts/RCCO b/fwd from Previous Years	161	-	-	-
Other Contributions & Earmarked Reserves	70	170	-	-
Revenue Contribution to capital Outlay (RCCO)		175		
	837	1,463	100	100
COMMITMENTS				
Phoenix Green Project grant	20			
Wheelie Bins	150	128	-	-
Recycling Vehicles	90	140	-	-
Mini Road Sweeper	37	-	-	-
Recycling boxes and bags	-	33		
Ashby Road -transfer Station - depot		260 402	13	-
Hermitage Leisure Centre - Disability Discrimination Act	23			
Hermitage LC Ph1 – design fees		25		
Hood Park Leisure Centre - Disability Discrimination Act	12			
Hood Park Leisure Centre – outdoor pool pipe work	23			
-- retention	2			
Coalville Market	25		-	-
IEG Schemes	450	320	-	-
Customer Service Centre (RCCO)		150		
Capital Salaries	5	5	5	5
	837	1,463	18	5
Currently Unallocated	-	-	82	95
	837	1,463	100	100

Financial Strategy

- 41) The spending requirement calculated from the data in the table at paragraph 13 above includes the additional costs required to finance the priorities identified in the Councils Delivery Plan 2005/08.
- 42) The ability to fund the identified spending requirement is dependent on the level of:
- Available balances/reserves
 - Opportunity for significantly reducing expenditure, either by efficiencies or reducing low priority spend
 - Increased/new sources of income
 - Grant Increases
 - Council Tax increases
- 43) Decisions have been made in each of these areas to create a 3 year balanced budget position as follows:

	2005/06 (£000's)	2006/07 (£000's)	2007/08 (£000's)
Budget Requirements			
Base budget	9,754	10,306	10,290
CPA Improvements	220	79	-
Service Developments	254	(102)	(20)
Total requirement position (Para. 13 table subtotal (1))	10,228	10,283	10,270
With proposed funding from:			
Grant / NNDR (1.5% increase 06/07, 07/08)	5,340	5,420	5,501
Council Tax (4% increase 06/07, 07/08)	4,266	4,435	4,612
New sources of income	-	110	110
Procurement savings / Expenditure reductions			
General reductions	206	51	36
Service reductions	48	85	-
Staffing	93	100	200
Other net contributions	50	50	50
Use of balances	225	32	(239)
	10,228	10,283	10,270

- 44) The level of Council Tax increase for 2006/07 and 2007/08 has been set at the same level (+4%) assumed as the increase that the Government will build into the grant calculation through the level of Assumed Standard Council Tax.
- 45) The table at paragraph 13 above shows the detailed proposals for delivering the general expenditure and service reductions in the strategy. Further details behind the other key funding areas of additional income and staffing reductions are shown below.
- A) Additional income – The Council is in the initial stages of disposing of a significant land parcel, which is expected to raise a substantial (£m's) capital receipt. The anticipated investment income from this makes up a large proportion of the figure used.
- B) Staffing reductions – The Council is currently undertaking a review of its senior management structure. This, integrated with the introduction of a Customer Service Centre from April 2006, which requires service delivery re-engineering to accommodate the back office / front office structure, are the key areas for generating these savings.
- 46) This three year package will deliver an estimated General Fund level of reserves as follows:-

	£m
2005/06	1.204
2006/07	1.172
2007/08	1.411

All years are above a prudent level of £1million and exclude earmarked reserves. However, these figures do **not** take account of any impact, which may arise from the current management review.

- 47) Sensitivity analysis has also been undertaken to identify the financial impact of potential changes in some of the key grant variables. The findings are shown below.
- 48) In terms of the assumptions on the level of the 'floor', a scenario where the 'floor' is higher than the 1.5% included from 2006/07, would increase the Council's entitlement, conversely a 'floor' set at less than 1.5% could adversely affect the entitlement, each 1% equates to £53,400. Consequently a 'cash standstill' settlement would cost the Council some £80,000 in each year. The Minister has stated that the level of the 'floor', for any future year will only be announced at the time of the provisional grant announcement each year, making accurate forward planning very difficult. The Council received a grant cash increase of 4.4% in 2005/06 (after scaling back to pay for the 'floor', which was set at 2.5%). However this increase reflected 'one off money' made available for 2005/06 only.
- 49) In terms of the level of Assumed National Council Tax (ANCT), the level of increase is assumed at 4%, and this has been reflected in the projected level of Council tax increase in the MTFs. If the rate assumed by the

Government is higher, then the Council would be entitled to less grant. The Council could choose to maintain a link between these two rates and increase actual Council Tax by the higher level rather than reduce spending, subject to any 'capping criteria' that may be in place.

- 50) If the Government's assumed rate of Council Tax increase were to be lower than 4%, then the actual Council Tax increase could also be reduced.

Budget Process

- 51) The budget process for 2005/06 was developed to ensure that resources and priorities were aligned over the three year period 2005/06 to 2007/08. This was done not only to ensure key priorities were fully resourced but also to address the 'Gershon' efficiency savings requirements in an integrated approach. The detailed process is included at appendix D.

'Gershon' Efficiency Savings

- 52) The Council is required to achieve £0.270m efficiency savings per annum for the next three years, on a cumulative basis, 50% of which must be cashable. A table showing the areas identified is shown at appendix E.

Summary

- 53) It is clear that sound management of the medium term financial issues facing the Council, particularly in relation to General Fund, will be critical to its success in future. This will be made more difficult by the prospect of future increases in the government's grant quantum being limited to near inflation and no guarantee on minimum entitlement.
- 54) The Governments current national 'Balance of Funding' review will need to address the rising public concerns regarding the disproportionate increases in council tax created by small increases in council spending. These increases are generated by the 'gearing' effect of the current council tax system, a system recently concluded to be 'fundamentally flawed' by the Audit Commission. The outcome will need to be implemented prior to the 2007 council tax bands revaluation being applied.
- 55) This strategy provides for the additional resources necessary to finance the priorities identified in the Council's Delivery Plan 2005/06 to 2007/08. However, it must be recognised that this position will only be achieved when the planned additional income and expenditure reductions are delivered. A high level risk assessment is shown at appendix F.
- 56) A further key factor in the delivery of the MTFs is the careful, considered and planned manner in which the Council's balances are utilised to deliver the required outcome.

- 57) The table in paragraph 43 shows that the projected balanced position for 2006/07 requires a general subsidy from balances of just £32,000, with this position turning positive in 2007/08 with a contribution to balances of £239.000. This achieves the Council's target of removing the general subsidy from balances, to the budget, by 2007.
- 58) The MTFS has sought to define a financial strategy to enable the Council to accommodate the increased spending pressures arising from meeting statutory service targets, together with the need to make available new funding and redirect existing resources to deliver the Council's key priorities identified in the Council's Delivery Plan 2005/08 .

M.R. Davis CPFA
May 31st 2005

Appendix A

Corporate Timetable 2006/07 (provisional)

2005

September 30th Draft 2006/07 service delivery plans complete

November 30th Provisional Grant Announcement expected

December 13th Executive Board (Budget consideration)

2006

January 5th Budget workshop

January 10th Joint Scrutiny Board (Budget consideration)

January 17th Executive Board (Budget consideration)

January 17th to
February 6th Consultation on budget proposals

February 7th Final Grant Settlement expected

February 7th Executive Board (Budget and Council Tax recommendation)

February 21st. Special Council (Sets budget and Council Tax)

April 1st 2006/07 Service Delivery Plans start

Appendix B

Budget Assumptions

The main assumptions included in the budget forecast are:

(1) Base - 2005/06 Approved Budget, as amended, with known changes

(2) General inflation on expenditure - included at 2.5%

(3) Employee budgets include:

- cost of pay award allowance 2.95%
- allowance for incremental progression 0.40%
- total allowance for pay and increments 3.35%
- increase in employers superannuation costs from 215% to 230%

In addition a significant contingency sum is included in the base budget to assist the outcome of the single status implementation.

(4) Employee budgets - include an employee turnover saving of 3% of gross pay budget.

(5) Property Rental income – based on projections from the portfolio, reflecting actual incidence of rent reviews.

(6) Income and Charges – general assumption of 2.5% built into base, but reviews of all charges together with new opportunities will be required each year .

(7) Interest rate -- based on market projections (on average 4.75%).

(8) Major contracts/ agreements in term – rolled forward based on the specified inflation indices in the contract / agreement.

APPENDIX C

Areas of Uncertainty

The main areas of uncertainty, for which no allowance has been made in the forecast are:

Ref. Area of Uncertainty

- (1) Rating Revaluation Appeals
- the Council may register an appeal(s) with the Valuation Office regarding any of its properties during the period of the MTFs, no account has been included for any outcome
- (2) External Contracts
- the effects of formal external contracts, which come to the end of their term. The base implies provision for inflation only.
- (3) Employee Costs
- final implications from the implementation of the Single Status job evaluation process are currently not known. Further information should be available later in the year.
- (4) VAT
- effects of the partial exemption regulations. The calculation is currently close to the threshold.
- (5) Best Value
- requirements, where approved, from the completed programme of best value reviews have been resourced. No assumptions have been built into the projections for any resource requirements flowing from future reviews.
- (6) Insurance Premia
- A new 5 year long term agreement was entered into from April 2003, when a significant increase on renewal was absorbed. Inflationary increases only have been included for 2006/07 and 2007/08.
- (7) IT Issues
- E-Government developments and the need for possible match funding to IEG funds.
- (8) New Legislation / Regulation
- there are a significant number of areas affected by proposed changes, reflected in the LGA 2003, including Business Improvement Districts.
- (9) Supporting People
- the full impact of the Supporting People initiative and fairer charging is still to be finally ascertained.
- (10) Waste Management
- no account has been taken at this stage of any implications which may arise from the agreed countywide waste management strategy or any reward grant which may arise from meeting the waste management target or any other target in the County PSA

APPENDIX D

2005/06 ALIGNING PRIORITIES & RESOURCES

WHEN	WHAT	WHO
23 rd November	Review of the Council's <ul style="list-style-type: none"> • Ambition • Vision • Priorities 	Executive Board and then to Council
7 th December	Endorsement of CPA Improvement Plan	Council
14 th December	Consideration of financial issues and to provide direction for priorities	Exec. Board
15 th December	Workshop on: <ul style="list-style-type: none"> • Member's assessment of Priorities • Impact of Grant Settlement • Consideration of Gershon Leading to production of options & implications for Members Consideration	Management Team
Dec / Jan 2005	Member's consideration of options / advice	Labour Group
11 th January	Consideration & determination of issues for Executive Board	Joint Scrutiny Boards
18 th January	<ul style="list-style-type: none"> • Consideration of scrutiny recommendations • Debating resource levels 	Executive Board
27 th January	Reserve date for further meeting	Executive Board
8 th February	Recommend Budget & Council Taxes to Council	Executive Board
28 th February	Approve Budget & Set Council Taxes	Council
Feb / March	Completion of <ul style="list-style-type: none"> • Corporate Delivery Plan • Divisional Delivery Plans • Service Delivery Plans Communication of Council Taxes, etc. to Community	Management Team Management Team / Communications Team

MANAGEMENT TEAM MEETING
15th DECEMBER 2004
MATCHING RESOURCES TO PRIORITIES / OBJECTIVES

- | | |
|-----------------------|---|
| 9:-9:30 am | Refreshments |
| 9:30-11:30 am | What do we need to / must achieve in years:- <ul style="list-style-type: none">• 2005/06• 2006/07• 2007/08 |
| 11:30-11:40 am | Break |
| 11:40-12:00 pm | To what standard |
| 12:00-1:00 pm | What are the costs:- <ul style="list-style-type: none">• New priorities• Existing known costs (Have they changed?)• Impact of Gershon• Service development bids |
| 1:00-1:30 pm | Lunch |
| 1:30-3:30 pm | What are the possible solutions:- <ul style="list-style-type: none">• Existing "Pots"• Technical (e.g.: debt management)• Increasing income i.e.: new charges, increasing prices, more efficient collection)• Procurement of supplies & goods<ul style="list-style-type: none">❖ Corporate control❖ Assessment of supplies❖ Financial System• Service savings<ul style="list-style-type: none">❖ Stop❖ Withdraw❖ Lower Service❖ Other provider |
| 3:30-4:00 pm | Timing & Implications of possible solutions |
| 4:00-5:00 pm | Review of the day
Agreement to next steps & timescales |

DOCUMENTS TO BRING

1. CPA Improvement Plan
2. Report on review of priorities
3. Lynn's paper on statutory / non-statutory services & financial resource levels
4. Gershon briefing paper
5. Budget Book
6. Medium Term Financial Plan
7. Community Plan
8. Best Value Performance Plan
9. Service Development Bids

GERSHON EFFICIENCY SAVINGS.

	2005/06 £000's	2006/07 £000's	2007/08 £000's	Type
Productive Time Imp.	114			Non cashable
Review Advertising / Council newspaper	45			"
Transactions	30			"
Business re-engineering establishment savings	93	100	200	Cashable
Procurement savings	75	90 *	10 *	"
Investment income from Capital Receipts	-	60	60	"
Good Housekeeping efficiencies	26	11	6	"
Review of mobile phones usage	10	10	-	"
TOTAL	393	271	276	
Non cashable	189	-	-	
Cashable	204	271	276	

Note

The Council has been set a target of delivering £270,000 of efficiency savings per annum for the next three years, 50% of which must be 'cashable' i.e. release cash to redirect into other services or to keep Council Tax down.

* Figures required to meet target.